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Financing of the African Union-United Nations Hybrid Operation in Darfur

Budget performance for the period from 1 July 2012 to 30 June 2013 and proposed budget for the period from 1 July 2014 to 30 June 2015 of the African Union-United Nations Hybrid Operation in Darfur

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2012/13	$1,448,574,000
Expenditure for 2012/13	$1,415,722,000
Unencumbered balance for 2012/13	$32,852,000
Appropriation for 2013/14	$1,335,248,000
Projected expenditure for 2013/14[a]	$1,306,054,900
Estimated unencumbered balance for 2013/14[a]	$29,193,100
Proposal submitted by the Secretary-General for 2014/15	$1,244,690,000
Recommendation of the Advisory Committee for 2014/15	$667,624,000

[a] Estimates as at 28 February 2014.

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I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions on the proposed budget for the African Union-United Nations Hybrid Operation in Darfur (UNAMID) for the period from 1 July 2014 to 30 June 2015 are contained in paragraph 24 below. The Committee has made observations and recommendations on specific issues, where appropriate, in the following paragraphs.**

2. During its consideration of an advance version of the report of the Secretary-General on the budget for UNAMID for 2014/15, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 28 April 2014. The documents reviewed and those used for background by the Committee in its consideration of the financing of UNAMID are listed at the end of the present report. The detailed comments and recommendations of the Committee on the findings of the Board of Auditors on United Nations peacekeeping operations and on cross-cutting issues related to United Nations peacekeeping operations can be found in its related reports (see A/68/843 and A/68/782, respectively).

II. Budget performance for the period from 1 July 2012 to 30 June 2013

3. By its resolution 66/279, the General Assembly appropriated an amount of $1,448,574,000 gross ($1,423,320,300 net) for the maintenance of UNAMID for the period from 1 July 2012 to 30 June 2013. Total expenditure for the period amounted to $1,415,722,000 gross ($1,392,626,400 net), which is $32,852,000 gross ($30,693,900 net) lower than the amount appropriated by the Assembly, corresponding to a budget implementation rate of 97.7 per cent. A detailed analysis of variances is provided in section IV of the relevant performance report (A/68/619).

4. The underexpenditure was mainly attributable to:

(a) Under military contingents ($20,108,800, or 4.3 per cent), lower requirements for freight charges and the deployment of contingent-owned equipment, as the anticipated large-scale repatriation of contingent-owned equipment during the 2012/13 period, owing to the drawdown of troops, did not materialize; the variance was offset in part by higher requirements for standard troop cost reimbursement, as well as increased requirement for the reimbursement of major items of contingent-owned equipment owing to the payment of claims from the 2011/12 period (ibid., paras. 74-75);

(b) Under national staff ($20,188,700, or 26.9 per cent), the substantial depreciation of the Sudanese pound against the United States dollar during the reporting period, resulting in an actual exchange rate of 5.64 Sudanese pounds to the United States dollar compared with the budgeted exchange rate of 2.88 Sudanese pounds to the United States dollar (ibid., para. 81);

(c) Under United Nations Volunteers ($5,234,200, or 20 per cent), a higher-than-budgeted actual vacancy rate (27.1 per cent, compared with the budgeted rate of 20 per cent) as a result of delays in the issuance of visas (ibid., para. 82);

(d) Under air transportation ($13,074,500, or 6.8 per cent), reduced requirements for petrol, oil and lubricants and for the rental and operation of aircraft resulting primarily from the non-deployment of one IL-76 fixed-wing aircraft, and reduced requirements for air transportation services resulting from lower costs for inspection and certification of airport works by the Sudan Civil Aviation Authority; the variance was partly offset by increased requirements for the rental and operation of helicopters in support of UNAMID operations (ibid., paras. 92 and 93);

(e) Under other supplies, services and equipment ($5,767,800, or 15 per cent), reduced requirements for the disarmament, demobilization and reintegration of armed elements owing to the lack of a comprehensive peace agreement and the non-adoption of a disarmament, demobilization and reintegration policy; decreased requirements for freight costs owing to delays in the delivery of United Nations-owned equipment; and lower-than-budgeted bank charges and transaction costs as a result of the depreciation of the Sudanese pound against the United States dollar; the variance was offset in part by losses on exchange owing to the difference between the United Nations standard rates of currency exchange and the actual rates obtained at the banks and by increased requirements for the acquisition of personal protection gear for mission personnel (ibid., paras. 100-101).

5. The underexpenditure was partly offset by additional requirements attributable mainly to:

(a) Under United Nations police ($13,057,600, or 9.9 per cent) higher actual requirements for mission subsistence for United Nations police officers and the payment of the full mission subsistence allowance to an average of 1,508 police officers compared with the estimated number of 1,158, because accommodation was provided to only 1,473 police officers during the reporting period; the variance was offset in part by reduced requirements for travel on emplacement, rotation and repatriation resulting from the lower actual average strength of 2,631 police officers, compared with the budgeted average strength of 2,829 police officers, and a lower average rotation cost of $2,200 as compared with the budgeted cost of $3,200 (ibid., paras. 76-77);

(b) Under international staff ($6,967,700, or 3.4 per cent), the higher-than-budgeted actual average salary cost paid to international staff owing to step increases; higher actual common staff costs of 83.3 per cent of net salary compared to the budgeted cost of 82.2 per cent, mainly owing to an increase in educational grant payment; and higher requirements for danger pay owing to the replacement of the hazardous duty station allowance of $1,365 per month by the danger pay of $1,600 per month (ibid., para. 80);

(c) Under information technology ($8,730,000, or 79.9 per cent), the acquisition of additional information technology equipment for the virtual desktop infrastructure project, the implementation of Umoja and the United Nations Office to the African Union in Addis Ababa; increased requirements for information technology services owing to the deployment of 50 contractors to the new sectors (compared with 25 budgeted); and increased requirements for information technology resources in the Regional Service Centre at Entebbe, Uganda, to enable the re-engineering of business processes (ibid., para. 96).

6. In his report on the budget performance of UNAMID for the period 2012/13, the Secretary-General indicates that the Security Council, in its resolution 2063 (2012),

endorsed the proposed reconfiguration of uniformed personnel strength so that the Operation would consist of up to 16,200 military personnel (including 260 military observers and 460 staff officers), 2,310 police personnel and 17 formed police units of up to 140 personnel each, as well as a revision of the concept of operations, to be implemented over a period of 12 to 18 months. He also indicates that the overall drawdown, which commenced in July 2012, was expected to be completed by January 2014 (ibid., para. 23).

7. As a result of the adverse security situation prevailing during the reporting period, the Secretary-General indicates that the Operation recorded 77 incidents of carjacking, 7 cases of hostage-taking, 92 cases of robbery, burglary and theft and 5 incidents of attacks against the United Nations (ibid., para. 13). Nonetheless, the Operation continued to undertake its mandated activities, which included high-level consultations with regional and international partners aimed at reaching a comprehensive settlement and inclusive peace agreement; activities to support the implementation of the Doha Document for Peace in Darfur; mobile and foot patrols conducted by the military; community policing patrols for the protection of internally displaced persons conducted by the United Nations police; mine action assessment and clearance activities; and monitoring and reporting on human rights and civilian protection concerns.

III. Financial position and information on performance for the current period

8. The Advisory Committee was informed that, as at 25 March 2014, a total of $10,880,391,000 had been assessed on Member States in respect of UNAMID since its inception. Payments received as at that date amounted to $10,753,902,000, leaving an outstanding balance of $126,489,000. As for the Operation's cash position, the Committee was informed that as at 24 March 2014 $570,600,000 was available in cash. After subtracting a three-month operating reserve of $233,171,000, which excludes reimbursements for troop- and formed police-contributing countries, the remaining cash surplus amounted to $337,429,000.

9. Regarding troop costs, the Advisory Committee was informed that $39,731,000, representing claims for November and December 2013, was owed as at 31 December 2013. The Committee was also informed that payments totalling $59,509,534 had been made in March 2014 in respect of claims for the period from November 2013 to January 2014, as well as a supplemental payment authorized by the General Assembly. As at the same date, $59,558,000 was owed for contingent-owned equipment, representing claims for the period from October to December 2013. In addition, the Committee was informed that payments totalling $35,758,857 had been made in March 2014 to settle claims certified up to December 2013. The Committee was also informed that there were 48 memorandums of understanding for contingent-owned equipment as at 31 December 2013, of which 44 had been signed and 4 were in draft form.

10. As for the status of reimbursement in respect of death and disability compensation, the Advisory Committee was informed that some $5,238,000 had been paid for 112 claims over the period since the inception of the Operation until 31 December 2013. As at that date, $265,000 had been obligated to cover the cost of

six outstanding death and disability claims. **The Committee trusts that all outstanding claims will be settled expeditiously.**

11. The Advisory Committee was informed that, as at 28 February 2014, the human resources incumbency for UNAMID for the 2013/14 period was as follows:

Table 1

Category of personnel	*Authorized*[a]	*Encumbered*	*Vacancy rate (percentage)*
Military observers	260	250	3.8
Military contingents	15 940	14 435	9.4
United Nations police	2 310	2 152	6.8
Formed police units	2 380	2 364	0.7
Posts			
International staff	1 163	1 020	12.3
National staff			
National Professional Officers	207	162	21.7
National General Service	2 759	2 751	0.3
General temporary assistance			
International staff	21	10	52.4
National General Service	4	4	–
United Nations Volunteers	520	401	22.9
Government-provided personnel	6	6	–

[a] Represents the highest authorized strength for the period.

12. The Advisory Committee was also provided with information on current and projected expenditure for the period from 1 July 2013 to 30 June 2014. Expenditure for the current period, until 28 February 2013, amounted to $901,372,100 gross ($890,795,000 net), against an appropriation of $1,335,248,000 gross ($1,311,855,300 net). By the end of the current period, it is estimated that the total expenditure will amount to $1,306,054,900, leaving a projected unencumbered balance of $29,193,100 (2.2 per cent) of the appropriation approved for the 2013/14 financial period.

13. The Advisory Committee was informed that, as at 27 March 2014, the projected expenditure for 2013/14 reflected lower-than-budgeted expenditure attributable mainly to:

(a) Under military contingents, a lower-than-anticipated deployment of military contingents (the actual average vacancy rate was of 8.9 per cent compared with the budgeted vacancy rate of 2 per cent); and the reduced cost of rations (the actual average ceiling-man rate was $6.84 compared with the budgeted rate of $12.39) resulting from a new rations contract;

(b) Under United Nations police, a lower-than-anticipated deployment of United Nations police officers (the vacancy rate was 6.8 per cent in February and is expected to average 6 per cent by the end of 2013/14, compared with the budgeted rate of 5 per cent); reduced payment of mission subsistence allowance (35 per cent

of officers were living in United Nations-provided accommodation and were therefore subject to partial instead of full mission subsistence allowance, compared with the budgeted 20 per cent); and the reduced cost of rotation (the average round-trip ticket cost $1,264 compared with the budgeted cost of $2,100);

(c) Under facilities and infrastructure, reduced requirements for field defence supplies given the adequacy of existing stock; reduced requirements for rental of premises as a result of the closure of UNAMID team sites in Kulbus and Sartony; and recovery of $5.4 million from staff living in United Nations-provided accommodation as at 31 January 2014;

(d) Under air transportation, the delayed deployment of three military aircraft (MI-17) and the repatriation of two fixed-wing aircraft (one L-60 and one MD-83) owing to a reconfiguration conducted to align the air fleet with operational requirements.

14. The projected underexpenditure was partly offset by projected overexpenditure mainly attributable to:

(a) Under military observers, higher-than-anticipated deployment levels (the average vacancy rate was 2.3 per cent compared with the budgeted rate of 22 per cent); the higher-than-budgeted number of military observers entitled to full mission subsistence allowance (only 59 military observers living in the mission were provided with accommodation compared with the budgeted number of 156); the variance was partly offset by the lower cost of rotation (the average round-trip ticket cost $859 compared with the budgeted cost of $2,100);

(b) Under international staff, higher projected requirements for net salaries and common staff costs owing to the lower average vacancy rate (12.6 per cent compared with the budgeted rate of 16 per cent); and higher average common staff costs (85.2 per cent of net salaries compared with the budgeted rate of 80.9 per cent).

IV. Proposed budget for the period from 1 July 2014 to 30 June 2015

Mandate and planned results

15. The mandate of UNAMID was established by the Security Council in its resolution 1769 (2007). The most recent extension of the mandate, to 31 August 2014, was authorized by the Council in its resolution 2113 (2013).

16. The planning assumptions and mission support initiatives for the 2014/15 period are described in paragraphs 14 to 35 of the report of the Secretary-General on the budget for UNAMID for the period from 1 July 2014 to 30 June 2015 (A/68/754). As indicated in paragraph 14, during the budget period the Operation will focus its activities on the following key priorities: (a) contributing to the protection of civilians in Darfur; (b) facilitating the unhindered delivery of humanitarian assistance; (c) supporting the implementation of the Doha Document for Peace in Darfur, including the implementation of the framework for African Union and United Nations facilitation of the Darfur peace process; (d) facilitating the work of the United Nations country team and expert agencies on recovery and reconstruction in Darfur through, inter alia, the provision of area security; and

(e) promoting human rights, strengthening governance, supporting local-level conflict resolution and reconciliation and strengthening the rule of law.

Resource requirements

17. The proposed budget for UNAMID for the period from 1 July 2014 to 30 June 2015 amounts to $1,244,690,000 gross ($1,222,403,300 net), representing a decrease of $90,558,000 (6.8 per cent) in gross terms compared with the appropriation of $1,335,248,000 gross for 2013/14. The Advisory Committee notes that, compared with the projected expenditure of $1,306,054,900 for 2013/14 (see para. 12 above), the proposed decrease in resources for 2014/15 would amount to $61,364,900 (4.7 per cent). The proposed reduction reflects changes in provisions under military contingents, United Nations police, civilian personnel and air transportation resulting from reduced requirements for military and police personnel ($58.7 million) owing to the deployment of fewer military contingents and United Nations police personnel than planned and to the lower cost of rations. The overall decrease in requirements is also attributable to reduced requirements for civilian staff ($19.1 million) owing to the proposed net reduction of 251 posts and positions and to reduced requirements for operational costs ($12.8 million) owing primarily to the reconfiguration of air transportation assets and the withdrawal of three aircraft. Detailed information on the financial resources requested and an analysis of the variances are provided in sections II and III of the proposed budget.

Reduction of uniformed personnel and civilian staffing review

18. The Secretary-General indicates that, pursuant to the reconfiguration of UNAMID uniformed personnel set out in Security Council resolution 2063 (2012) and the reduction of uniformed personnel conducted over a period of 12 to 18 months starting in August 2012, the Operation's maximum authorized troop strength in 2014/15 will comprise 16,200 military personnel (including 260 military observers and 15,940 contingent personnel), 2,310 United Nations police officers and 2,380 formed police personnel. He also indicates that the level of civilian staffing will be further reduced as a result of a comprehensive civilian staffing review that was conducted in August 2013 in line with General Assembly resolution 66/264. Among the priorities considered in the review were the feasibility of nationalizing Field Service posts and rebalancing the ratio of substantive to support staff following the reduction in authorized personnel levels (A/68/754, paras. 15-16).

Strategic review

19. During its consideration of the Secretary-General's budget proposal, the Advisory Committee was informed, upon enquiry, that the strategic review that had been requested by the Security Council in its resolution 2113 (2013) had resulted in recommendations for a range of measures to improve the Operation's effectiveness in terms of mandate implementation. The Committee was also informed that the strategic review was conducted so as to build on the findings and recommendations made in the civilian staffing review and to align the strategic review with the revised strategic priorities and recommendations set out in the special report of the Secretary-General to the Security Council on the review of UNAMID (S/2014/138). The Committee notes that, in its resolution 2148 (2014), the Security Council endorsed the revised priorities contained in the special report of the Secretary-General and requested UNAMID to focus and streamline its activities accordingly.

In this connection, the Council requested the Secretary-General to indicate the tasks to be deprioritized as a result of the strategic shift and to provide detailed and updated information on the reduction of the Operation's police component in his next report.

Impact of the strategic review on the proposed budget for 2014/15

20. Upon further enquiry, the Advisory Committee was informed that, in anticipation of a decision to be taken by the Security Council on a proposal of the Secretary-General resulting from the strategic review to reduce the level of UNAMID uniformed and civilian personnel, the Secretary-General's 2014/15 budget proposal included an increased delayed deployment factor for military contingents and increased vacancy rates for civilian personnel categories. In this regard, the Committee was informed that the delayed deployment factor for military contingents had been increased by 7 percentage points (from 2 per cent to 9 per cent) and that the vacancy rates for all categories of civilian staff had been increased by 5 percentage points. According to the information provided to the Committee, the impact on the budget of these anticipated operational reductions was $41.9 million. **The Committee stresses that the planning assumptions of peacekeeping budgets should not take into account changes in the mandate or the authorized strength of uniformed personnel that have not yet been decided by the Security Council at the time of budget preparation. The Committee notes that the Secretary-General's budget proposal reflects reductions amounting to $41.9 million, mainly under military contingents, based on his anticipation of a decision to be taken by the Security Council** (see also para. 22 below).

Impact of the strategic review not reflected in the proposed budget for 2014/15

21. During its consideration of the Secretary-General's report, the Advisory Committee was made aware that the proposals contained in the latest report of the Secretary-General on UNAMID to the Security Council (S/2014/279) had been made in line with his reprioritized strategy for UNAMID and would entail a refocus of the activities of the Operation's police, the military and some of the Operation's civilian components, resulting in further personnel reductions. Upon enquiry, the Committee was informed that the proposals, if approved by the Council, would result in a further reduction of $21.7 million, which had not been reflected in the proposed budget for 2014/15.

22. **The Advisory Committee notes that the Secretary-General has reversed some of the planning assumptions used in his original budget estimates on the basis of his proposals to the Security Council. The Committee points out that the uncertainties surrounding the budget proposal and the additional information subsequently provided to the Committee are directly related to the fact that the Secretary-General did not use the current mandate of the Operation as a basis for his budget estimates. According to his updated assumptions, for instance, the delayed deployment factor for military contingents would be reversed from 9 per cent, as indicated in paragraph 20 above, back to 2 per cent on the assumption that the proposed personnel reductions, if approved by the Council, will mainly affect the police component and not the military contingents, as originally assumed.**

V. Recommendations

23. The actions to be taken by the General Assembly in connection with the financing of UNAMID for the period from 1 July 2012 to 30 June 2013 are indicated in paragraph 103 of the budget performance report (A/68/619). **The Advisory Committee recommends that the unencumbered balance of $32,852,000 for the period from 1 July 2012 to 30 June 2013, as well as other income and adjustments in the amount of $26,863,100 for the period ended 30 June 2013, be credited to Member States.**

24. The actions to be taken by the General Assembly in connection with the financing of UNAMID for the period from 1 July 2014 to 30 June 2015 are set out in paragraph 161 of the proposed budget (A/68/754). **The Advisory Committee notes that the budget proposal of the Secretary-General was developed in anticipation of a decision to be taken by the Security Council, which has introduced some uncertainty, not only with regard to the budget document submitted, but also the additional information subsequently provided to the Committee. Therefore, the Committee considers it premature to make any recommendations on the Secretary-General's 2014/15 budget proposal at this time and, on that basis, recommends that the General Assembly:**

(a) **Authorize the Secretary-General to enter into commitments in the amount of $667,624,000 (equal to half of the Operation's budget for 2013/14), for the maintenance of UNAMID for the six-month period from 1 July 2014 to 31 December 2014;**

(b) **Assess the amount of $222,541,333 for the period from 1 July 2014 to 31 August 2014;**

(c) **Assess the amount of $445,082,667 for the period from 1 September 2014 to 31 December 2014, at a monthly rate of $111,270,667, should the Security Council decide to continue the mandate of the Operation.**

25. **In this connection, the Secretary-General should be requested to submit a revised budget proposal for 2014/15 reflecting the decision of the Security Council on the renewal of the mandate of the Operation by no later than the main part of the sixty-ninth session of the General Assembly.**

Documentation

- Budget performance of the African Union-United Nations Hybrid Operation in Darfur for the period from 1 July 2012 to 30 June 2013 (A/68/619)
- Budget for the African Union-United Nations Hybrid Operation in Darfur for the period from 1 July 2014 to 30 June 2015 (A/68/754)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the budget performance for the period from 1 July 2011 to 30 June 2012 and proposed budget for the period from 1 July 2013 to 30 June 2014 of the African Union-United Nations Hybrid Operation in Darfur (A/67/780/Add.7)

- Financial report and audited financial statements for the 12-month period from 1 July 2012 to 30 June 2013 and report of the Board of Auditors, Volume II, on United Nations peacekeeping operations (A/68/5 (Vol. II))
- Report of the Advisory Committee on Administrative and Budgetary Questions on the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations and report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2013 (A/68/843)
- Report of the Secretary-General on the African Union-United Nations Hybrid Operation in Darfur (S/2014/279)
- Security Council resolution 2113 (2013)
- Security Council resolution 2148 (2014)
- General Assembly resolution 67/284 on the financing of the African Union-United Nations Hybrid Operation in Darfur